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UNCLAS SECTION 01 OF 02 KABUL 000145

SIPDIS

SENSITIVE

DEPT FOR SA/FO AMBASSADOR QUINN, SA/CT AND SA/A
NSC FOR AHARRIMAN, KAMEND
CENTCOM FOR POLAD, CG CFA-A, CG CJTF-76
USAID FOR AID/ANE, AID/DCHA/DG

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [EAID](#) [EAGR](#) [EINV](#) [PK](#) [AF](#)

SUBJECT: SENATOR REED MEETS WITH FIRST VICE PRESIDENT MASOOD

1. (SBU) SUMMARY: IN A MEETING WITH SENATOR REED, FIRST VICE PRESIDENT MASOOD STRESSED THE IMPORTANCE OF ECONOMIC DEVELOPMENT AND PRIVATE INVESTMENT, PARTICULARLY IN THE AGRICULTURAL AND MINERALS SECTORS, FOR AFGHANISTAN'S FUTURE. THE SENATOR ASSURED HIM OF THE UNITED STATES' LONG-TERM COMMITMENT TO AFGHANISTAN. AMBASSADOR NEUMANN GAVE THE VICE PRESIDENT SOME GUIDANCE ON HOW TO MORE EFFECTIVELY APPROACH THE ARAB STATES FOR DEVELOPMENT ASSISTANCE IN THE RUN UP TO THE LONDON CONFERENCE, ADVISING HIM TO PRESENT WELL-THOUGHT-OUT REQUESTS FOR SPECIFIC PROJECTS THAT WERE TIED INTO AFGHANISTAN'S OVERALL DEVELOPMENT STRATEGY, IN ORDER TO COUNTER SOME ARAB PERCEPTIONS THAT THAT GOA WAS DISORGANIZED. END SUMMARY.

2. (SBU) ON JANUARY 8, SENATOR JACK REED (D-RI), ACCOMPANIED BY AMBASSADOR AND USAID DIRECTOR, MET WITH FIRST VICE PRESIDENT AHMED ZIA MASOOD. THE VICE PRESIDENT THANKED THE SENATOR FOR U.S. LEADERSHIP IN HELPING AFGHANISTAN MOVE TOWARDS DEMOCRACY, AND STATED THAT THE COUNTRY'S POLITICAL PROGRESS HAD BEEN EXEMPLIFIED BY THE SUCCESSFUL ELECTION OF THE NEW PARLIAMENT. MASOOD THEN EXPRESSED THE HOPE THAT MORE ATTENTION COULD NOW BE FOCUSED ON AFGHANISTAN'S ECONOMIC DEVELOPMENT. SENATOR REED RESPONDED THAT ECONOMIC AND POLITICAL DEVELOPMENT GO HAND IN HAND AND THAT THE U.S. HAS BEEN A STRONG PARTNER IN BOTH AREAS. HE CAUTIONED THAT ECONOMIC DEVELOPMENT, IN PARTICULAR CAPACITY BUILDING THROUGH EDUCATION, WOULD TAKE MANY YEARS, BUT ASSURED MASOOD THAT U.S. WAS COMMITTED TO AFGHANISTAN FOR THE LONG TERM. MASOOD SPOKE AT LENGTH ABOUT AFGHANISTAN'S DEPENDENCE ON AGRICULTURE AND ITS WEALTH OF NATURAL RESOURCES (GAS AND PETROLEUM RESERVES VALUED AT USD 400 MILLION), BOTH SECTORS WHICH NEEDED TO BE DEVELOPED WITH NEW PRACTICES/TECHNIQUES AND MORE INVESTMENT. IF AFGHANISTAN WERE ABLE TO ATTRACT MORE INVESTMENT, THE VICE PRESIDENT POINTED OUT, SOME OF THE FINANCIAL BURDEN ON THE U.S. TAXPAYER WOULD BE LIFTED. SENATOR REED RESPONDED THAT USAID WAS FOCUSING ON IMPROVING BASIC INFRASTRUCTURE, SUCH AS ROADS AND ELECTRICITY; WITH REGARD TO PRIVATE INVESTMENT, AFGHANISTAN NEEDED TO ENSURE ITS LAWS ON REPATRIATION OF PROFITS, ETC., WERE ACCEPTABLE TO INTERNATIONAL INVESTORS, ISSUES WHICH NEEDED TO BE COORDINATED WITH THE NATIONAL ASSEMBLY.

3. (SBU) MASOOD EXPLAINED THAT AFGHANISTAN WAS IN A SPECIAL POSITION. IT IS LOCATED IN THE MIDDLE EAST, WITH A DEMOCRATIC GOVERNMENT, UNLIKE THOSE OF ITS NEIGHBORS, A UNIQUE ACHIEVEMENT WHICH IS A TESTAMENT TO U.S. SUPPORT. MASOOD WOULD LIKE AFGHANISTAN TO BE AN EXAMPLE OF ECONOMIC PROGRESS AS WELL. HE DISCUSSED THE RELATIONSHIP WITH PAKISTAN, NOTING THAT RELIGIOUS EXTREMISTS COULD HARM THE STABILITY OF BOTH COUNTRIES' GOVERNMENTS, BUT THAT ECONOMIC DEVELOPMENT WOULD "MUTE THEIR VOICES"; HE ENCOURAGED MORE ECONOMIC LINKS BETWEEN THE TWO COUNTRIES. HE REFERRED TO FORMER PRIME MINISTER BENAZIR BHUTTO'S ALLOWING THE JAMIAT ISLAMI PARTY TO PARTICIPATE IN ELECTIONS, WITH THE RESULT THAT THEY ONLY WON FIVE SEATS.

4. (SBU) AMBASSADOR NEUMANN THEN DISCUSSED DIFFERENT WAYS TO APPROACH THE GULF STATES FOR DEVELOPMENT ASSISTANCE IN THE RUN UP TO THE LONDON CONFERENCE, NOTING THAT THESE COUNTRIES HAVE THE IMPRESSION THAT AFGHAN LEADERSHIP DOES NOT HAVE A CLEAR VISION ABOUT ITS NEEDS AND IS NOT WELL ORGANIZED IN ITS APPROACH. THE AMBASSADOR EMPHASIZED THAT FROM SECRETARY RICE ON, WE ARE PUSHING FOR ASSISTANCE. HOWEVER, HE STRESSED THE IMPORTANCE OF KABUL'S DEMONSTRATING TO THE GULF COUNTRIES HOW MUCH MORE FOCUSED THE GOA HAS BECOME, AND ALSO OF PROPOSING VERY SPECIFIC PROJECTS FOR THEM TO INVEST IN. MASOOD RESPONDED BY SAYING HE WAS MEETING WITH SEVERAL ARAB COUNTRIES AFTER HE COMPLETED THE UMRA HAJ AND THAT THE SAUDIS WERE VERY INTERESTED IN BUILDING CULTURAL CENTERS AND RELIGIOUS SCHOOLS. THE AMBASSADOR SAID THAT, WHILE THE SAUDIS WERE ALWAYS KEEN TO CONSTRUCT MOSQUES, THEY ARE ALSO ABLE TO INVEST IN LARGER INFRASTRUCTURE PROJECTS, SUCH AS A STRETCH OF THE KANDAHAR-HERAT HIGHWAY THAT THEY HAVE FUNDED. THEY COULD BE ENCOURAGED TO DO MORE BY HEARING A WELL-THOUGHT-OUT PRESENTATION, BASED HEAVILY ON THE AFGHAN NATIONAL DEVELOPMENT STRATEGY AND THE LONDON CONFERENCE DOCUMENTS, LAYING OUT SPECIFIC GOALS (E.G., IN ROADS AND ELECTRICITY). HE ALSO NOTED THAT THE GULF STATES PREFERRED TO FINANCE LARGE, STAND-ALONE PROJECTS (RATHER THAN PART OF A

LARGER PROJECT) FOR WHICH THEY CAN TAKE FULL CREDIT. THE AMBASSADOR RECOMMENDED THAT MASOOD BRIG A SUFFICIENTLY LARGE GROUP OF TECHNICAL EXPERTS WITH HIM ON HIS TRIPS, A TEAM THAT COULD STAY BEHIND TO DISCUSS PROPOSALS IN DETAIL. THE USAID DIRECTOR SAID HE COULD PROVIDE THE VICE PRESIDENT WITH COPIES OF THE DEVELOPMENT PAPERS PREPARED FOR THE LONDON CONFERENCE, AND ALSO OFFERED THE SERVICES OF ONE OF USAID'S POWER EXPERTS. MASOOD WAS QUITE RECEPTIVE AND SUGGESTED THEY GET IN TOUCH AFTER EID.

15. (U) SENATOR REED DID NOT CLEAR THIS CABLE BEFORE HE DEPARTED POST.
NORLAND